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## **CHINA GAS HOLDINGS LIMITED**

**中國燃氣控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 384)**

### **VOLUNTARY ANNOUNCEMENT ENTERING INTO STRATEGIC COOPERATION FRAMEWORK AGREEMENT WITH CHINA MOBILE COMMUNICATIONS GROUP CO., LTD.**

This is a voluntary announcement made by China Gas Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The board of directors of the Company (the “**Board**”) is pleased to announce that on 21 September 2020, the Company and China Mobile Communications Group Co., Ltd. (“**China Mobile**”) entered into a strategic cooperation framework agreement (the “**Strategic Cooperation Framework Agreement**”), pursuant to which both parties agreed to jointly develop the “smart kitchen” and actively carry out digital economic cooperation on the basis of opening both parties’ business channels in accordance with the principle of “taking complementary advantages, joint development, combining forces and win-win cooperation”, with 5G effectively enabling the integration of key livelihood sectors, the gas industry and the communication business, in order to achieve high quality development. Under the Strategic Cooperation Framework Agreement, the Company and China Mobile agreed to cooperate in the following main areas:

#### **(i) Basic communication business cooperation**

China Mobile will provide quality communication services to the Group, including basic mobile communication, fixed telephone line, special digital transmission line, dedicated internet connection, data centre, Internet of Things, office automation, cloud-based video conferencing and live streaming, etc. The Group agreed to give priority to China Mobile when purchasing communication products and services, subject to compliance with the laws and regulations.

## **(ii) Opening up both parties' business channels**

Both parties possess quality market channels and products, and will seek to be each other's channel to expand market coverage with joint efforts. The cooperation methods include, but not limited to, exploring the utilization of the Group's off-line recharging spots as an agency for SIM cards and service plans, broadband, and pan-intelligent terminal application of China Mobile, exploring the utilization of China Mobile's business halls as the Group's payment spots, and exploring the utilization of the CM Pay mobile application (APP) of China Mobile as the Group's online payment channels. Both parties agreed to integrate their marketing activities and combine the communication business with the gas business, in such a way as to carry out two-way resource investment, joint marketing and product development.

## **(iii) Setting up "smart kitchen" business**

With in-depth integration of China Mobile's advantages in infrastructure, service, communication channel and core competence in the field of Internet of Things with the Group's industry resources and market advantages, both parties will create scenarios demonstrating the application of 5G mobile communications in the smart gas industry. The Group will give play to its market shares in household gas meters and its capabilities of business promotion, and utilize its "smart retail (慧零售)" platform, enabling smart gas meters to serve as a gateway for smart kitchens and a promotional device for China Mobile's communication business, as well as driving new sales models for other intelligent terminal products.

## **(iv) Financial and installment services**

The Group could combine China Mobile's financial and installment services and explore the application of China Mobile's CM Pay installment platform to stimulate the enthusiasm of the Group's household customers to apply for gas installation with the Group, strengthen their loyalty to the communication services provided by China Mobile, and promote further business development for both parties.

## **(v) On-demand network construction and optimization**

China Mobile will provide on-demand NB-IOT network optimization and construction services to the Group.

## **Information on China Mobile**

China Mobile is a comprehensive telecommunication operator with business scope covering basic telecommunication business, value-added telecommunication business, and innovative digital services such as digital media content and information solutions. As a unit which holds the license for operating international networking of computer information and international communication accesses, China Mobile is able to provide quality products and services related to information and communication, and integrated information solutions, to individuals, families, governments, enterprises and other customers.

## **Reasons and benefits for entering into the Strategic Cooperation Framework Agreement**

The Group believes that entering into the Strategic Cooperation Framework Agreement further enhances both parties' willingness to cooperate, establishes a long-term strategic partnership between the both parties, and explores business models and builds foundational platforms for specific cooperative projects. By combining their respective advantages, pooling resources, and taking advantage of demand rigidity and user base in the industry, both parties align the “mobile business” with the “gas business”, and jointly explore new business cooperation models such as joint product and co-marketing, in order to mutually advance business integration and development.

Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.

By order of the Board  
**China Gas Holdings Limited**  
**LIU Ming Hui**

*Executive Chairman, Managing Director and President*

Hong Kong, 21 September 2020

*As at the date of this announcement, Mr. LIU Ming Hui, Mr. HUANG Yong, Mr. ZHU Weiwei, Ms. LI Ching and Ms. LIU Chang are the executive directors of the Company, Mr. LIU Mingxing, Mr. JIANG Xinhao and Mr. Rajeev Kumar MATHUR are the non-executive directors of the Company and Mr. ZHAO Yuhua, Dr. MAO Erwan, Ms. CHEN Yanyan and Mr. ZHANG Ling are the independent non-executive directors of the Company.*

\* *For identification purpose only*